

line. Mr. W. H. Moore, secretary of the James' Bay Railway Co., explained that the same people practically control both charters, which would seem to offer a poor guarantee that both will be built. The opening up of the back country by railways has become a necessity of the time, and it is unfortunate if there is no better way of doing it than by public subsidies to private persons. Some of the speakers mixed up other questions with these proposed roads, such as a Georgian Bay canal, and a freight railway from Toronto to Collingwood. One speaker pointed out that the St. Lawrence is the natural outlet for a large part of American territory, as well as for our own great West. It is well to keep beside this fact another; that in this particular the United States has proved superior to nature. Canada has spent on canals between seventy and eighty millions of dollars, largely in pursuit of a will-o'-the-wisp, in the shape of American trade, which she has not got.

Imperialism is the name misgiven, in some newspaper headlines, for the affirmative vote of New South Wales, in favor of federation with the sister colonies in that quarter of the world; it is just as likely to mean democracy. A union, in some form, of the Australasian colonies, with or without New Zealand, is one of the events which seem to be written by the finger of fate. Local jealousy has hitherto stood in the way of its realization, and even now it is not probable that either Sydney or Melbourne would consent to the other being made the seat of the Federal Government; a compromise may be found in either Albury or Hobart. The local jealousy, which in all similar cases has shown its head—notably in the English colonies, which grew into the United States and in Canada—must have sensibly abated, when New South Wales votes for federation. To include New Zealand in the Union would be almost as far-fetched as Canada taking in Jamaica. The situation is, however, different. It is conceivable that an Australasian union might include even New Guinea. The nation builders, at the antipodes, are likely to take Canada, in some sense, as a model. The other Australian colonies have yet to be heard from, but New Zealand having led the way, the others may be expected to follow now or at no distant day.

There is, perhaps, no necessary connection between a Federal union of the Australasian colonies and a union of the Empire. If there be, Colonial Federation is a necessary precursor of the larger scheme, which, if it is ever to be realized, is a long way off. Regarding such a scheme, opinion, in all parts of the Empire, is much divided, some regarding it as a *planche de salut*, others as a germ of future destruction. The vote in New South Wales will act as a spur on the heels of the Imperial federationists, with what result is problematical.

#### FINANCIAL REVIEW.

We give below a condensation of the figures of the statement of Canadian banks for the month of May, 1899. It is compared with the bank statement for the previous month, and shows capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, etc.:—

#### CANADIAN BANK STATEMENT.

LIABILITIES.		May, 1899.	April, 1899.
Capital authorized .....		\$76,808,664	\$76,808,664
Capital paid up .....		63,617,335	63,426,015
Reserve Funds .....		28,907,231	28,249,103
Notes in circulation .....		\$37,012,914	\$37,369,887
Dominion and Provincial Government deposits .....		6,118,160	5,256,897
Public deposits on demand .....		92,200,417	88,537,362
Public deposits after notice .....		164,117,087	163,093,210
Bank loans or deposits from other banks secured .....		42,000	42,000
Bank loans or deposits from other banks unsecured .....		3,057,160	3,004,729
Due other banks in Canada in daily balances .....		99,708	76,914
Due other banks in foreign countries..		542,557	678,797
Due other banks in Great Britain.....		6,896,443	6,320,454
Other liabilities.....		966,061	550,776
Total liabilities .....		\$311,052,591	\$304,931,109
ASSETS.			
Specie .....		\$9,312,898	\$9,165,535
Dominion notes .....		16,335,293	16,008,827
Deposits to secure note circulation....		1,998,001	1,995,523
Notes and cheques of other banks.....		10,545,635	8,231,246
Loans to other banks secured.....		42,645	42,000
Deposits made with other banks.....		3,031,359	3,505,629
Due from other banks in foreign countries .....		22,055,017	22,560,792
Due from other banks in Great Britain..		10,030,419	9,398,598
Dominion Govt. debentures or stock .....		5,074,746	5,059,878
Other securities.....		30,980,200	31,481,750
Call loans on bonds and stock .....		29,154,398	28,641,774
		\$138,560,611	\$136,091,552
Current loans and discounts.....		249,159,171	245,498,939
Loans to Dominion and Provincial Governments .....		3,137,142	3,194,891
Due from other banks in Canada in daily exchanges .....		205,821	196,138
Overdue debts .....		1,942,071	2,546,512
Real estate.....		1,815,325	1,842,823
Mortgages on real estate sold.....		612,349	607,437
Bank premises .....		5,995,027	6,083,049
Other assets .....		2,250,356	2,378,682
Total assets .....		\$403,678,070	\$398,440,210
Average amount of specie held during the month .....		9,305,520	9,316,649
Average Dominion notes held during the month .....		15,561,159	15,723,239
Greatest amount notes in circulation during month.....		88,412,933	39,442,891
Loans to directors or their firms .....		7,072,041	7,111,644

#### CANADIAN RAILWAY EARNINGS.

The attention of the public has recently been called to the matter of railway finance, and so many statements have been made which are wide of the mark, that it may not be uninteresting to review briefly some of the returns which were made by Canadian railways to the Government for the year 1898. Eighty-five railway companies, having a total mileage of 16,718 miles, made returns and showed gross earnings of \$59,715,105. This appears to be a very large sum. The total operating expenses, however, were \$39,137,549, which leaves \$20,577,556 for bondholders, shareholders, and generally to pay interest on and carry the fixed charges. There were twenty roads which failed to earn enough to pay operating expenses. The most prominent example of a deficiency in earnings is the Canadian Government railway system, the Intercolonial lacking \$139,978, and the Prince Edward Island Railway, \$72,468, of the amount necessary to pay the cost of road operation. The Maritime Provinces and the Province of Quebec had more than a just share of poor-paying railroads. Manitoba, when the extent of the mileage within the province and the small population are taken into account, did remarkably well. The earnings of the Northern Pacific in Manitoba, however, were